

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY
BOARD OF COMMISSIONERS
FINANCE COMMITTEE MEETING**

November 20, 2005

A meeting of the Finance Committee of the Rhode Island Convention Center Authority Board of Commissioners was held on November 20, 2005 at 3:00 p.m. pursuant to notice at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island

Board members present were Committee Chairman, Joe Judge, Commissioners, David A. Duffy, Dale Venturini, Jerry Massa and Paul MacDonald.

Also in attendance, Jim McCarvill, Ken Mancuso and Betty Sullivan, RICCA; Tim Muldoon and Debbie Tuton, SMG/RICC; Bruce Leach Legal Counsel; Normand Benoit, Partridge Snow & Hahn; Maureen Gurghigian, First Southwest and Eileen Smith, Recording Secretary.

Chairman Judge called the meeting to order at 3:05 P.M.

Mr. Judge noted the distribution of the minutes of the October meeting and asked for a motion to approve.

Upon a motion duly made by Mr. Massa and seconded by Mr. MacDonald it was unanimously

VOTED: to approve the minutes of the October meeting.

Mr. Judge recognized Tim Muldoon who presented the financial report of the Convention Center and Parking Garage. Mr. Muldoon reported that overall Net Income for the month of October was \$379,000 and represents an increase to budget of \$111,000 and increase of (\$23,000) to last year. Mr. Muldoon stated that although overall revenues were flat to last year (up \$5,000) net income was up by \$23,000 or 6.5%. Most of the increase in revenues was associated with the Commerce Corp. Trade Show with a \$78,000 F&B increase to last year. Mr. Muldoon said that transient parking continues to lag, however this has been offset somewhat by increases in monthly and event parking.

Mr. Muldoon noted that despite the additions of Donovan Marine Trade Show and the Providence Craft Show revenues were down. He said that the decrease in revenues is attributable to two non-repeat events (Land Trust & Association of Mathematics of New England) and the timing of FISH Expo (April). Mr. Muldoon noted however, that a good job was done in managing direct Convention Center costs which showed positive variances of \$18,000 or 18%.

Mr. Muldoon continued that catering revenues are up \$93,148 for the month to last year mainly due to \$250,000 in revenues attributed to Commerce Corporation. This represented an increase of \$78,000 from last year. In addition to a 21% increase in F&B revenues direct

costs were only up by 2.5% resulting in a 62% increase in net income or \$92,000.

Mr. Muldoon said that year to date Event Parking is down \$22,000 or 9.4%. Mr. MacDonald asked if the new mall rates have been cutting into our revenue. Mr. Muldoon said that could be a factor and stated that parking is now available under the Fogarty Building which has taken some event parking from our garage. Mr. Massa asked if there was anything that could be done. Mr. Muldoon said that we are the best rate in town for monthly parking. We have the safest and cleanest facilities and we need to get the word out when we have availability. Mr. Muldoon said that his staff is talking with GTECH and attempting to negotiate a contract for their parking needs. Mr. Muldoon said that care must be taken to assure that we have enough space to accommodate our event patrons.

Mr. Muldoon said that November looks strong with the addition of the International Wire and Cable (\$130,000) & NE Human Resources Association with estimated revenues of \$200,000. He said that in addition December looks good with an expanded holiday party schedule. Mr. Muldoon reported that International Wire & Cable's Board of Directors voted to return to Providence 2008.

Mr. Duffy said that he was getting concerned. He said that we are being even more closely watched because of the purchase of the Dunkin' Donuts Center and the sale of the hotel. Mr. Muldoon said

that although revenue is down expenses are also down. He said that November needs to be a very good month and it appears that it will be.

Mr. Judge asked our Bond Counsel, Mr. Benoit, to address the committee. Mr. Benoit explained why the Dunkin' Donuts Center bonds would be taxable as opposed to the Convention Center bonds that are non taxable. He then explained the \$92.5 million bond resolution. Mr. Judge asked why we are issuing \$33 million instead of \$28.5 million at this time. Mr. McCarvill said that \$28.5 million would be paid to the City and the remainder would be used to start the renovation process. Mr. Massa asked about renewal and replacement. Mr. Benoit noted that 1.5% per year in renewal and replacement commitment is part of the City Council resolution and that a renewal and replacement reserve requirement will be part of the bond issue. Mr. Benoit stated that if the Board adopts the resolution at their meeting tomorrow he would appear before the State Properties Committee to get their approval of the lease and the sub-lease. Upon a motion duly made by MacDonald and seconded by Ms. Ventruini it was unanimously

VOTED: to recommend to the Board the passage of the resolution authorizing the issuance of \$92.5 million in taxable bonds.

Mr. Massa commented that our consultants have done a great job.

Mr. Judge thanked Ms. Sullivan for her presentation of the financial highlights and narrative for the month of October and Year to Date analysis. Ms. Sullivan noted that she is still working on the parking agreement with the Board of Higher Ed and she was confident that a contract would be signed in the next few days.

Upon a motion duly made by Ms. Venturini and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 3:55 p.m.